

WHAT OPPORTUNITIES ARE AVAILABLE FOR DAIRIES?

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As a dairy producer, you face many decisions when managing your operation and the natural resources on your land. Many decisions can be very difficult, especially with the current economics of fluid milk.

Low milk prices – this is somewhat due to reduced demand of commodity fluid milk. Specialty products, e.g., organic milk, grass-fed milk, can have some premium as compared to commodity milk and some consumers are willing to pay for it.

Is it better to try and get bigger or to graze more? Some dairies have found opportunities for 100% grass-based milk, and they're seeing a price advantage which makes up for some loss of production. For example, if you are making \$2.00 profit per hundred weight of milk (\$15 gross - \$13 cost) and shipping one million pounds, your annual income would be \$20,000. If you increased production by 50% with more cows, you are only increasing your profit by another \$10,000 (or \$30,000 total). However, if you reduced your total cost per hundred weight by 30% with grazing, and keep the same cow numbers, now you are making \$59,000 instead of \$30,000. It may be more profitable to reduce cost, than increase production. Even if grazing causes you to lose 20 percent of milk production to 800,000 lbs. per year, cutting cost with grazing may be more profitable for you.

Some small dairies are starting to work together on a marketing plan with a local processing plant. This creates opportunities for marketing specialized bi-products instead of just fluid milk. These products could include cheese, butter, and ice-

cream. These can be enhanced even more by being A2 or 100% grass-based products. Consumers generally appreciate and want specialized local products.

What can be done to help until economics change? Reducing fed feed is a good place to start. Lactating cows, dry cows, and even replacement heifers can all be raised on forages. The animals can graze those forages themselves instead of harvesting and feeding them, at least a lot more than what is often done.

If you are only utilizing pasture for lounging areas and most feed is fed at the barn, then moving towards a grazing system where the cows are moved twice a day to new allotments of fresh forage can reduce fed feed costs. This is difficult for some systems due to animal-to-land base ratios. If you are already grazing, improving forage quality and quantity can boost intake and possibly milk production. If you are presently grazing only during the normal growing season and dominantly on perennial forages, then the addition of annual forages during summer slump periods and for fall, early winter, and possibly spring grazing can extend the grazing season, reducing fed feed.

There are a lot of opportunities to work annuals into your present cropland rotation. Warm season annuals fit in well after wheat or wheatlage and can provide excellent forage during the summer months and at the same time provide erosion control and improve soil health. Cool season annuals can be then seeded afterwards. Oats, a brassica such as turnips, and cereal rye provide good fall grazing as long as moisture is available. In addition, the cereal rye provides cover for the field and more grazing or balage during the following spring. The cereal rye may also be an excellent cover to no-till corn or silage corn into.

No matter the forage; quality, quantity, forage diversity, and management are all

extremely important. Overgrazing and lack of sufficient rest before grazing again are very common issues.

If you are presently chopping or baling all of your forage, then at least a good portion of that could be grazed directly instead of harvesting and then feeding it. Anything that a cow harvests itself is always going to be cheaper feed than anything you carry to her. If a wheel is turning, you are spending money.

Some cropland, especially marginal cropland, might be better off in longer rotations that include forages. Those forages could be for hay, balage, or for grazing. If forages are grazed, approximately 80% of the nutrients that are removed by the forage are returned to the soil by the cows, especially if you are doing a good job of grazing management.

Consumer awareness and support is increasingly important. Education is needed to help consumers understand the differences between all the milk products available and more importantly, to help keep the environmentally friendly appearance of a happy cow in green grass on their mind. Nutritional differences also need to be talked about. It's important, especially with climate topics on people's minds, that we manage grazing systems well so we can justify and maintain the stance of sequestration of carbon in these systems. It's important that we make systems look good and paint the picture that people want to imagine their milk and milk products coming from. This includes animal welfare. We need to be treating our animals...more like people. We need to remove the image of animals under stress and unpleasant conditions, and instead, portray them as happy, content, and in an environment that people want to think their milk comes from. Transparency in food is becoming a major consumer demand.

Graze MORE - Feed LESS!



What are some practices that might be beneficial and possibly even have financial assistance available?



Prescribed Grazing



Erosion Control



Heavy Use Area Protection



Fence

- **Crop rotation** – Growing a diverse number of crops in the rotation, like perennials or annual forages.
- **Fence** – Used to keep livestock on property and to subdivide fields into smaller allocations for rotating.
- **Forage and biomass planting** – Planting of grasses and legumes for hay and pasture.
- **Cover Crops** – Grasses, legumes, and broadleaves planted for seasonal cover and some grazing.
- **Annual Forages for Grazing** – Grasses, legumes, and broadleaves for forage.
- **Heavy Use Area Protection** – Stabilized surface protection, quite often rock and lime, used in high density frequently used areas to reduce mud and improve water quality.
- **Prescribed grazing** – The practice of forage management with grazing livestock. Stocking rates, stock density, proper allocations, management and rest is important. Allocations are easily made with temporary fence. Lack of proper management is quite often the issue.
- **Water facility** – Permanent or portable water facilities needed to provide adequate water for the grazing system.
- **Pipeline** – Conduit to provide water where needed in the grazing system.
- **Water sources** – This can include wells, ponds, and spring developments. Municipal water is used quite often, especially when most economically feasible.
- **Stream Crossings** – Stabilized area or structure across streams for travel by people, animals, and equipment.
- **Fertilizer & Manure Management** – Using the right source, rate, time, and placement of nutrients to maximize crop use and minimize loss. This can be a major expense and issue if not managed properly.
- **Erosion Control** – Using no-till/strip-till, structures, and other practices to control erosion.
- **Soil Health Management Systems** – Combination of practices to improve soil organic matter, trap and recycle nutrients, and improve water infiltration and water holding capacity.
- **Animal Waste Facilities** – Stockpiling or storing manure in an environmentally safe manner for improved nutrient utilization and conservation. Consider opportunities to work with other landowners to expand land applications, especially when nutrient levels are getting high. Keep clean water clean; improve water quality and reduce the amount of water getting into storage facilities (less pumping/hauling).

Technical assistance for planning a grazing system and possibly some financial assistance is available through your local Natural Resources Conservation Service, contact your district conservationist for more information. Keep on grazing!